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OUTBOARD MARINE
Corporation

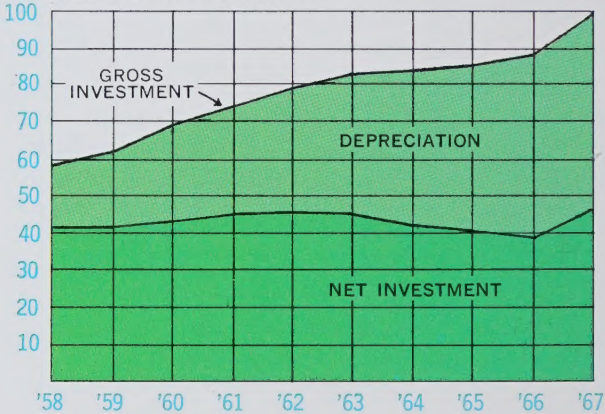


1967 ANNUAL REPORT

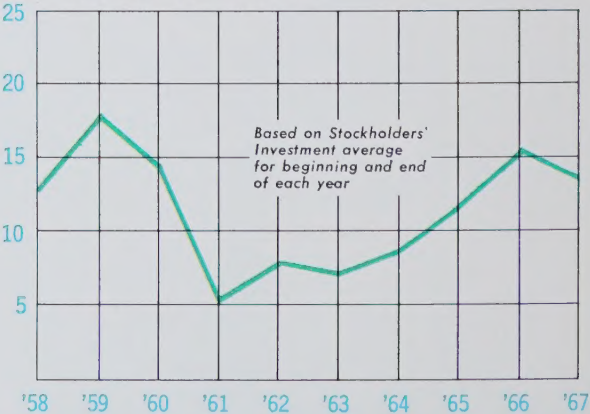
COVER PHOTO—Johnson's 3-cylinder 55 in action. This 1968 Sea-Horse represents the advance of the decade in outboard engineering. Among other things, it's America's first multi-cylinder outboard with loop-charge scavenging.



PLANT AND EQUIPMENT
MILLIONS OF DOLLARS



% NET EARNINGS as a Per Cent
of Stockholders' Investment



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BOARD OF DIRECTORS

RALPH EVINRUDE, *Chairman of the Board and Chairman of the Executive Committee*
JAMES B. BRIGGS, *Vice President*
PERRY E. HALL, *Limited Partner, Morgan Stanley & Co.*
FINN T. IRGENS, *Vice President*
ISADORE LEVIN, *Partner, Butzel, Levin, Winston & Quint*
CHARLES E. NELSON, *President, Waukesha Motor Company*
CHARLES H. PERCY, *United States Senator and Former Chairman of the Board, Bell & Howell Company*
JOSEPH L. RAYNIAK, *Executive Vice President*
WILLIAM C. SCOTT, *President*
ROBERT F. WALLACE, *Vice President*

OFFICERS

RALPH EVINRUDE, *Chairman of the Board and Chairman of the Executive Committee*
WILLIAM C. SCOTT, *President and General Manager*
JOSEPH L. RAYNIAK, *Executive Vice President*
HAROLD L. BOURDON, *Vice President—Manager, Gale Products Division*
JAMES B. BRIGGS, *Vice President—Non-Marine Products*
JOHN R. CLARKE, *Vice President—Industrial Relations*
W. CLAY CONOVER, *Vice President—Manager, Johnson Motors Division*
HARRIS O. EWALD, *Vice President—Manager, OMC Boats Division*
FINN T. IRGENS, *Vice President—Research and Engineering*
EUGENE W. KREAGER, *Vice President—Special Manufacturing Development*
HOWARD F. LARSON, *Vice President—Sales and Marketing, Marine Products*
CURTIS T. MORRIS, *Vice President—Manager, Cushman Motors Division*
ROBERT H. SCOTT, *Vice President—Manager, Evinrude Motors Division*
ROBERT F. WALLACE, *Vice President—Finance*
EDGAR W. HOLLMANN, *Treasurer*
SHERWOOD L. RICHARDSON, *Controller*
JOHN R. SEEGER, *Secretary*
KEITH A. POPE, *Assistant Treasurer*
EDWARD J. HEALY, *Assistant Secretary*
GRACE F. SCHNEIDER, *Assistant Secretary*

DIVISIONS

Cushman Motors, CURTIS T. MORRIS, *Manager*
Evinrude Motors, ROBERT H. SCOTT, *Manager*
Gale Products, HAROLD L. BOURDON, *Manager*
Johnson Motors, W. CLAY CONOVER, *Manager*
OMC Boats, HARRIS O. EWALD, *Manager*

SUBSIDIARY COMPANIES

Outboard Marine Corporation of Canada Ltd., THOMAS P. McMILLAN, *President*
Pioneer Saws Ltd., J. DOUGLAS MENNELL, *President*
Outboard Marine International S.A., Outboard Marine International, Inc., JAMES J. BUTLER, JR., *President*
Outboard Marine Belgium S.A., GERALD K. AHLERS, *Administrateur-Delegue (President)*
Outboard Marine Australia Pty. Limited, FRED W. MILTON, *General Manager*
Trade Winds Company, Inc., CARL F. DRETZKE, *President*

TRANSFER AGENT First National City Bank of New York, N. Y.

REGISTRAR Bankers Trust Company, New York, N. Y.

STOCK EXCHANGE REGISTRATION New York Stock Exchange

PRINCIPAL EXECUTIVE OFFICE 100 Pershing Road, Waukegan, Illinois

HIGHLIGHTS OF THE YEAR:

	1967	1966
Year Ended September 30:		
Net sales	\$233,352,000	\$212,493,000
Net earnings before income taxes	28,078,000	28,654,000
% to sales	12.0%	13.5%
Net earnings	15,230,000	15,666,000
Net earnings per share	\$1.91	\$1.97
Dividends per share paid on common stock	\$0.80	\$0.80
At September 30:		
Working capital	77,751,000	80,359,000
Long-term debt	12,390,000	13,463,000
Stockholders' equity—total	117,597,000	108,440,000
Stockholders' equity per share	<u>\$14.76</u>	<u>\$13.63</u>

SOURCE AND APPLICATION OF FUNDS:

	1967	1966
Source:		
From operations—		
Net earnings	\$15,230,000	\$15,666,000
Depreciation	4,404,000	4,264,000
Amortization of tooling	2,755,000	3,360,000
Provision for deferred taxes	378,000	255,000
Other	<u>115,000</u>	<u>272,000</u>
Proceeds from sale of—	22,882,000	23,817,000
Plant and equipment (net)	326,000	662,000
Common stock (Executive Stock Option Plan and in 1967 the purchase of Trade Winds Campers, Inc.)	294,000	859,000
Other—Principally changes in deferred charges, etc. .	<u>56,000</u>	<u>(355,000)</u>
Application:	<u>23,558,000</u>	<u>24,983,000</u>
Additions to plant and equipment	11,091,000	4,739,000
Tooling expenditures	7,635,000	2,565,000
Long-term debt maturing currently	1,073,000	1,073,000
Dividends	<u>6,367,000</u>	<u>6,351,000</u>
	<u>26,166,000</u>	<u>14,728,000</u>
Increase (decrease) in working capital	<u>\$ (2,608,000)</u>	<u>\$10,255,000</u>



TO OUR STOCKHOLDERS:

For the third consecutive year, sales reached a new high in the year ended September 30, 1967, totaling \$233,351,870, an increase of \$20,858,393 or 10% over 1966. Net earnings of \$15,229,681 or \$1.91 per share were second only to the record total of \$15,665,776 or \$1.97 per share achieved in 1966. Cash dividends of 80 cents per share were paid in both years, amounting to \$6,366,727 in 1967 and \$6,351,193 in 1966.

These accomplishments are particularly significant when viewed in the perspective of the unsettled business conditions which prevailed during most of the year. Sales of our major products were higher than in 1966 despite a generally sluggish market for most consumer durable goods. Lawn mowers, snow vehicles and stern drive engines all established record sales levels. Outboard motor, golf cart and chain saw sales volumes also were improved over last year, while sales of boats and industrial vehicles were approximately unchanged. During the year, strong pressures were forcing material, labor and money costs sharply upward while selling prices necessarily remained relatively stable. The resulting contraction of earnings margins was felt throughout the consumer goods industries and is reflected to some extent in the results of our operations for the year. Acute labor shortages, overcapacity operations in many departments and an expanded research and development program also adversely affected our earnings for the year and promotional programs were stepped up to meet the more difficult market conditions. To offset these factors, strong and effective measures were taken throughout the year by all levels of management to accelerate cost reduction programs and control expenses. As a result, the 1967 pretax earnings margin of 12% was the second highest such margin in the past seven years.

During 1967 we completed and put into operation approximately 335,000 square feet of additional manufacturing space at several locations. These additions, together with another 140,000 square feet now under construction, will relieve congestion in several critical production areas, and will permit more efficient utilization of manpower and equipment. Expenditures for plant and equipment totaled

\$11,090,930 in 1967. Such expenditures in 1968 are currently estimated at \$17,000,000. Most of these funds will be invested in equipment to meet increased production schedules, to produce new products, and to increase efficiency.

We are pleased to report continuing satisfactory progress in our development of a Wankel-type rotating combustion marine engine. During the past year we have achieved an advanced position in development, design and manufacturing planning, and remain firmly committed to produce this "marine engine of tomorrow" at the earliest date consistent with OMC standards of performance and reliability. However, despite a certain amount of publicity to the contrary, it is our opinion that a considerable amount of work remains to be done before there is a commercially available Wankel marine engine that meets our standards.

On August 15, 1967 the Company acquired all of the capital stock of Trade Winds Campers, Inc. (now Trade Winds Company, Inc.) of Manawa, Wisconsin, in exchange for 11,124 shares of the Company's common stock. Trade Winds is primarily a manufacturer of tent camping trailers. A thorough study of the steadily growing camping market has led us to conclude that it offers a favorable opportunity for diversification within the broad leisure products field. In September, Trade Winds introduced and is currently producing a line of snow vehicles for distribution through its own channels. This will enable Trade Winds to operate its facilities on a year-round basis, thus significantly improving its efficiency and its annual sales volume from the current \$2,000,000 level.

We are entering the 1968 fiscal year with the broadest and competitively strongest product lines in the Company's history. Initial orders for our new models in all major lines are up substantially over a year ago. The progress made in 1967 toward increasing operating capacity and efficiency will benefit earnings margins, as will price increases initiated where feasible on some 1968 models to offset the higher cost levels. Present indications and forecasts generally point to a resurgence of demand for consumer durable goods in 1968, although it could be tempered somewhat if the proposed increase in Federal income taxes becomes effective. Based on these factors it appears that 1968 should be a year of further growth for the Company.

After giving careful consideration to the prospective earnings and cash requirements, the Board of Directors, on October 27, 1967 increased the quarterly dividend rate from 20 cents to 25 cents per share. This action was taken pursuant to the Board's stated policy of establishing dividend rates based on earnings performance which can be reasonably expected to be maintained or improved over a sustained period. The new rate, therefore, underscores the confidence with which the management of your Company views the future.

For the Board of Directors

President

December 11, 1967



NOTES AND COMMENTS • Operations

MANUFACTURING

Manufacturing operations are carried on at nine plants of the Company, located in the United States and in three foreign countries. The following table lists the principal end products of each of those plants:

CUSHMAN MOTORS—Lincoln, Nebraska
Golf carts • Industrial vehicles

EVINRUDE MOTORS—Milwaukee, Wisconsin
Outboard motors • Snow vehicles

GALE PRODUCTS—Galesburg, Illinois
Lawn mowers • Marine parts and accessories

JOHNSON MOTORS—Waukegan, Illinois
Outboard motors

OMC BOATS—Waukegan, Illinois
Boats • Stern drive engines

TRADE WINDS COMPANY—Manawa, Wisconsin
Camping trailers • Snow vehicles

OUTBOARD OF CANADA—Peterborough, Ontario
and

OUTBOARD OF BELGIUM—Bruges
Outboard motors • Snow vehicles • Chain saws • Lawn mowers

OUTBOARD OF AUSTRALIA—
Bankstown, New South Wales
Outboard motors • Chain saws

Total manufacturing floor space of these plants at September 30, 1967 was approximately 3,600,000 square feet, with an additional 140,000 square feet currently under construction.

Under our integrated manufacturing system, several of these plants specialize in the fabrication of certain basic component parts for the others, as well as final assembly of their own products. For example, the Evinrude Motors Division supplies steel and bronze parts which have been cast in its shell molding foundry; the Gale Products Division fabricates ignition and electrical systems, carburetors and gasoline tanks; the Johnson Motors Division produces aluminum die castings, gears and screw machine parts; and Outboard of Canada makes major components for the Evinrude and Johnson brands of snow vehicles.

MARKETING

All of our manufacturing divisions and subsidiaries except OMC Boats also market their own end products. Boats are marketed through the Evinrude and Johnson Divisions, and stern drive engines through the Gale Division. Gale also distributes chain saws in the United States, and Johnson sells snow vehicles. Outboard Marine International S.A. and Outboard Marine International, Inc. are sales companies which market the Company's products in Latin

America and certain overseas countries. Pioneer Saws Ltd. markets chain saws in Canada.

Approximately 30,000 retail dealers throughout the world are franchised to handle OMC products. Principal distribution of outboard motors in the United States, Canada and Australia is made directly to a network of approximately 7,800 retail dealers. About 2,200 of these dealers in the United States also are franchised to sell our boats. These marine products are marketed by our other overseas operations through 350 distributors who in turn serve about 4,200 dealers throughout the free world. Our other products are sold through more than 300 distributors and about 18,000 dealers here and abroad.

PRODUCT LINE REVIEW

Outboard motor sales volume increased over 1966. Retail sales were particularly strong during the spring and summer selling season, with the result that year-end inventories at both dealer and factory levels were significantly lower than in the prior year.

Earnings improvements were achieved during 1967 in snow vehicle, chain saw, lawn mower and Cushman vehicle product lines as well as on sales of parts and accessories.

All major product lines except boats were profitable in 1967. The volume of boat sales was approximately unchanged from the 1966 total; however, this volume level was not sufficient to offset increased costs with the result that a small operating loss was incurred. The outlook for 1968 boat operations appears considerably better. Sales in the fourth quarter of fiscal 1967 were 91% over the previous year and the current order rate is substantially ahead of the same period last year. Cost reduction programs are being pursued vigorously and results should be further improved by the absence of some extraordinary costs incurred in 1967.

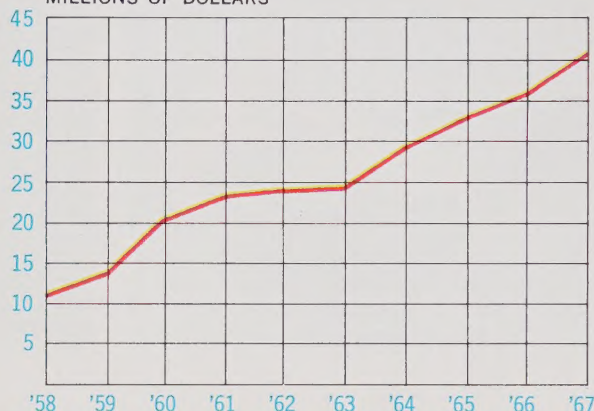
OPERATIONS ABROAD

Sales by all of our foreign subsidiaries in 1967 were higher than in 1966. Overseas sales totaled \$40,907,608 as compared to \$35,864,124 in 1966. Sales gains in Europe were achieved despite a marked weakness in the economies of several countries which persisted through the first three quarters of the fiscal year. Recent gains in economic strength have improved the outlook there for 1968. Cost increases during the year generally paralleled the United States pattern, causing a similar contraction in earnings margins.

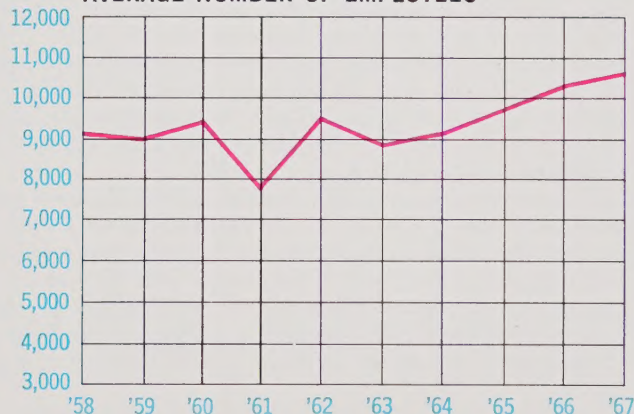
Outboard of Belgium is currently negotiating pilot programs with our distributors in several countries which have severe import restrictions, whereby these distributors will undertake minor final assembly operations on our outboard motors. The purpose is to induce the governments of these countries to increase funds available for import of outboard motors by providing for employment of local labor.

OVERSEAS SALES

MILLIONS OF DOLLARS



AVERAGE NUMBER OF EMPLOYEES





EMPLOYEES

The average number of persons employed by the Company and its subsidiaries reached a new high again in 1967, totaling 10,600, an increase of 394 over 1966. Labor shortages remained a serious problem throughout the year. The high rate of new employee turnover and relatively lower productivity of these new employees were reflected in production costs, as was the extensive overtime required to meet production schedules. Total compensation, including fringe benefits paid to employees, averaged \$7,759 per employee compared to \$7,314 in 1966.

Collective bargaining relationships during the year have been satisfactory. Employees are represented by a total of 12 separate unions at the Company's various United States and Canadian locations. Agreements with five of these unions expired and new agreements were negotiated during the 1967 fiscal year without interruption of production. During 1968 six union agreements will be up for negotiation.

At September 1, 1967 approximately 9,800 employees were covered by the retirement programs of the Company and its subsidiaries. Of this number 5,077 were classified as active participants with vested benefits. This classification in the Company's non-contributory program is attained after ten years of continuous service. Two years of service are required to participate in the Canadian companies' contributory plans. Cost of the retirement programs in 1967 totaled \$3,350,731 compared to \$3,158,369 in 1966. The increase was attributable in part to additional benefits contained in the Company's new retirement program which became effective September 1, 1966.

FINANCIAL NOTES

Consolidated inventories of raw materials, work in process, finished products and service parts totaled \$64,690,728 at September 30, 1967, an increase of \$7,133,897 over

the same date last year. Inventories of finished products were down approximately \$6,000,000, while the other classifications, particularly work in process, were up over \$13,000,000. These inventory changes reflect record fourth quarter sales in 1967 and substantially higher 1968 production schedules on which work was in process at September 30. The latter is particularly applicable to snow vehicle production for shipment during the first 1968 fiscal quarter. Also included in the September 30, 1967 total was approximately \$750,000 at Trade Winds, almost all of which represented raw materials and work in process.

Most of the increase in fourth quarter sales over a year ago was achieved in September and was principally responsible for the increase of \$6,859,274 in accounts receivable at September 30.

The Company's 1968 product lines have been significantly broadened and strengthened with new products and extensive redesign of 1967 models. The cost of tools required to produce the 1968 lines is reflected as a deferred charge in the Statement of Consolidated Financial Position and will be charged off to earnings over the estimated useful life of the various tools.

United States Federal income tax returns of the Company for the four years ended September 30, 1964 were audited and settled during the year. The additional taxes assessed as a result of this audit were paid prior to September 30, 1967 out of previously accumulated reserves. Canadian tax returns of Outboard of Canada and Pioneer Saws Ltd. have been cleared through September 30, 1965. The Belgian tax returns of Outboard of Belgium and Australian returns of Outboard of Australia have been cleared through September 30, 1963.

The investment credit against Federal income taxes resulting from 1967 capital additions amounted to approximately \$238,000 and has been reflected in earnings for the year. The comparable credit for 1966 was \$200,000.

OUTBOARD MARINE CORPORATION and Subsidiaries

STATEMENT OF CONSOLIDATED EARNINGS

For the years ended September 30, 1967 and 1966



	1967	1966	Per Cent to Net Sales	
			1967	1966
NET SALES	\$233,351,870	\$212,493,477	100.0	100.0
COSTS AND EXPENSES, including depreciation of \$4,404,569 in 1967 and \$4,264,099 in 1966:				
Cost of goods sold	\$149,434,435	\$135,212,695	64.0	63.6
Product research and development expenses	10,175,648	8,349,763	4.4	3.9
Shipping expenses	4,854,556	4,441,222	2.1	2.1
Selling and advertising expenses	24,089,530	21,518,824	10.3	10.1
General and administrative expenses	14,888,576	12,723,836	6.4	6.0
Interest and other expenses, net of other income	1,830,934	1,592,848	.8	.8
Total	\$205,273,679	\$183,839,188	88.0	86.5
Earnings before provision for income taxes	\$ 28,078,191	\$ 28,654,289	12.0	13.5
PROVISION FOR INCOME TAXES	12,848,510	12,988,513	5.5	6.1
Net earnings for the year	\$ 15,229,681	\$ 15,665,776	6.5	7.4
Net earnings per share of common stock	\$1.91	\$1.97		

The accompanying notes to consolidated financial statements are an integral part of this statement.

STATEMENT OF CONSOLIDATED FINANCIAL POSITION

September 30, 1967 and 1966



	1967	1966
CURRENT ASSETS:		
Cash	\$ 11,212,249	\$ 6,197,127
U. S. Government and other marketable obligations, at cost, including accrued interest	929,285	18,097,512
Receivables, less reserve, \$190,000 in 1967 and \$185,000 in 1966	31,385,773	24,526,499
Inventories, priced at lower of cost (first-in, first-out) or market—		
Finished product	10,578,578	16,634,666
Work in process, production parts, service parts and raw materials	54,112,150	40,922,165
Total current assets	<u>\$108,218,035</u>	<u>\$106,377,969</u>
CURRENT LIABILITIES:		
Notes payable	\$ 5,895,000	\$ —
Accounts payable	13,407,617	10,755,675
Accrued liabilities	5,843,412	5,720,248
Provision for Federal, state and foreign income taxes	4,247,584	8,469,114
Current maturities and sinking fund requirements of long-term debt	1,073,440	1,073,440
Total current liabilities	<u>\$ 30,467,053</u>	<u>\$ 26,018,477</u>
Net current assets (working capital)	<u>\$ 77,750,982</u>	<u>\$ 80,359,492</u>
DEFERRED CHARGES, ETC.:		
Tooling	\$ 7,358,795	\$ 2,478,567
Prepaid insurance and other expenses	3,283,666	3,988,205
	<u>\$ 10,642,461</u>	<u>\$ 6,466,772</u>
PLANT AND EQUIPMENT, at cost:		
Land and land improvements	\$ 3,875,757	\$ 3,535,983
Buildings and fixtures	39,430,369	36,115,714
Machinery and equipment	51,486,190	47,703,707
Construction in progress	3,643,959	1,219,037
Total	<u>\$ 98,436,275</u>	<u>\$ 88,574,441</u>
Less—Accumulated depreciation	52,204,445	48,714,507
Plant and equipment, net	<u>\$ 46,231,830</u>	<u>\$ 39,859,934</u>
	<u>\$134,625,273</u>	<u>\$126,686,198</u>
DEDUCT:		
Long-term debt, net of current maturities and sinking fund requirements included above (Note 1)	\$ 12,390,000	\$ 13,463,440
Provision for deferred incentive compensation	660,063	547,758
Provision in lieu of income taxes on income of foreign subsidiaries	1,405,000	2,040,000
Provision for deferred United States income taxes	2,573,000	2,195,000
	<u>\$ 17,028,063</u>	<u>\$ 18,246,198</u>
Net assets provided by stockholders' investment	<u>\$117,597,210</u>	<u>\$108,440,000</u>
STOCKHOLDERS' INVESTMENT:		
Common stock (Note 2)—		
Authorized 13,500,000 shares of \$.30 par value		
Issued 7,969,541 shares in 1967 and 7,954,217 in 1966	\$ 2,390,862	\$ 2,386,265
Capital in excess of par value of common stock, per accompanying statement (Note 2)	30,451,081	30,161,422
Accumulated earnings employed in the business, per accompanying statement (Note 1)	84,755,267	75,892,313
	<u>\$117,597,210</u>	<u>\$108,440,000</u>

The accompanying notes to consolidated financial statements are an integral part of this statement.

OUTBOARD MARINE CORPORATION and Subsidiaries

Statements of consolidated accumulated earnings employed in the business and capital in excess of par value of common stock

For the years ended September 30, 1967 and 1966

Consolidated Accumulated Earnings Employed in the Business	1967	1966
BALANCE AT BEGINNING OF YEAR	\$75,892,313	\$66,577,730
ADD—Net earnings for the year, per accompanying statement	15,229,681	15,665,776
	<u>\$91,121,994</u>	<u>\$82,243,506</u>
DEDUCT—Cash dividends paid, \$.80 per share	6,366,727	6,351,193
BALANCE AT END OF YEAR (Note 1)	<u>\$84,755,267</u>	<u>\$75,892,313</u>
Capital in Excess of Par Value of Common Stock	1967	1966
BALANCE AT BEGINNING OF YEAR	\$30,161,422	\$29,321,709
ADD—Excess of proceeds over par value of common stock issued (Note 2)	289,659	839,713
BALANCE AT END OF YEAR	<u>\$30,451,081</u>	<u>\$30,161,422</u>

The accompanying notes to consolidated financial statements are an integral part of these statements.

To the Stockholders,

OUTBOARD MARINE CORPORATION:

We have examined the statement of consolidated financial position of OUTBOARD MARINE CORPORATION (a Delaware corporation) AND SUBSIDIARIES as of September 30, 1967 and the related statements of consolidated earnings, consolidated accumulated earnings employed in the business, capital in excess of par value of common stock and consolidated source and application of funds (located elsewhere in this report) for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We have previously examined and reported on the

consolidated financial statements for the year ended September 30, 1966.

In our opinion, the accompanying consolidated statements referred to above present fairly the financial position of the companies as of September 30, 1967 and the results of their operations and the source and application of funds for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Milwaukee, Wisconsin,
October 27, 1967.

ARTHUR ANDERSEN & CO.

OUTBOARD MARINE CORPORATION and Subsidiaries
TEN YEAR SUMMARY



	1967	1966
For Year Ended September 30:		
Net sales		
Marine products and parts	\$164,124	\$156,024
Power mowers, garden implements and parts	22,308	18,984
Vehicles and parts	15,136	15,047
Chain saws and parts	9,743	9,104
Snow vehicles	17,130	10,472
Miscellaneous products	4,911	2,862
Total	233,352	212,493
Earnings before income taxes	28,078	28,654
% of sales	12.0%	13.5%
Net earnings	15,230	15,666
% of sales	6.5%	7.4%
Cash dividends paid on		
Common stock	6,367	6,351
Preferred stock of subsidiary	—	—
Earnings reinvested	8,863	9,315
% of net earnings	58.2%	59.5%
At September 30:		
Working capital	77,751	80,359
Plant and equipment (gross)	98,436	88,574
Total assets	165,092	152,705
Long-term debt	12,390	13,463
Common stockholders' equity	117,597	108,440
Issued shares of common stock \$0.30 par value or equivalent	7,969,541	7,954,217
Approximate number of stockholders	26,000	22,000
Per Share on Common Stock (adjusted for stock dividends and splits):		
Net earnings (based on average number of shares)	1.91	1.97
Cash dividends paid80	.80
Book value at September 30	14.76	13.63

*After giving effect to payment of cash dividend on preferred stock of subsidiary.

1965	1964	1963	1962	1961	1960	1959	1958
(in thousands of dollars)							
\$135,034	\$129,655	\$112,977	\$116,822	\$104,284	\$141,194	\$139,316	\$130,768
16,192	16,386	14,249	12,088	9,516	10,259	10,786	11,220
14,089	13,187	13,794	13,780	10,198	11,094	12,498	9,781
9,415	8,901	9,541	8,826	7,851	8,389	7,130	3,861
5,096	—	—	—	—	—	—	—
886	1,882	2,495	345	486	456	1,839	3,083
180,712	170,011	153,056	151,861	132,335	171,392	171,569	158,713
19,772	14,379	10,542	10,757	5,786	22,832	28,111	18,838
10.9%	8.5%	6.9%	7.1%	4.4%	13.3%	16.4%	11.9%
10,642	8,053	6,505	7,036	4,774	12,568	13,785	9,095
5.9%	4.7%	4.3%	4.6%	3.6%	7.3%	8.0%	5.7%
5,128	3,547	4,727	6,303	6,301	6,295	6,272	6,256
—	—	232	232	243	255	—	—
5,514	4,506	1,546	501	(1,770)	6,018	7,513	2,839
51.8%	55.9%	23.8%	7.1%	(37.1%)	47.9%	54.5%	31.2%
70,105	63,833	61,120	58,387	59,920	65,162	55,391	49,190
85,227	82,982	82,380	79,254	73,920	68,573	62,804	59,396
138,123	133,412	128,435	129,278	124,324	132,676	128,298	111,310
14,537	15,673	16,639	17,605	18,083	18,399	18,490	20,045
98,267	92,701	88,087	86,541	86,023	87,748	81,453	73,563
7,891,467	7,887,567	7,879,367	7,879,267	7,877,967	7,874,567	7,854,337	7,826,137
22,000	20,000	22,000	22,000	20,000	16,000	14,000	12,000
1.35	1.02	.80*	.86*	.58*	1.56*	1.76	1.16
.65	.45	.60	.80	.80	.80	.80	.80
12.45	11.75	11.18	10.98	10.92	11.14	10.37	9.40

OUTBOARD MARINE CORPORATION and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 1967

- (1) Long-term debt, net of current maturities and sinking fund requirements included in current liabilities:

	Balance Payable September 30	
	1967	1966
Parent company—		
4¼ % note due in 1976 with semiannual sinking fund requirements of \$250,000	\$ 3,750,000	\$ 4,250,000
5 % notes due in 1982 with fixed sinking fund payments of varying annual amounts	8,300,000	8,650,000
	<u>\$12,050,000</u>	<u>\$12,900,000</u>
Belgium subsidiary—		
3 % mortgage note, payable annually to 1968	\$ —	\$ 53,440
6¼ % and 6½ % notes, payable in five annual installments to 1970	228,000	342,000
6½ % mortgage notes, payable in five annual installments to 1970	112,000	168,000
	<u>\$ 340,000</u>	<u>\$ 563,440</u>
	<u>\$12,390,000</u>	<u>\$13,463,440</u>

The loan agreements covering the 4¼ % and 5 % notes contain, among other things, restrictions on the payment of cash dividends, capital distributions and purchase, redemption or retirement of shares of common stock. Under the terms of these agreements, \$42,172,376 of the consolidated accumulated earnings employed in the business was restricted as of September 30, 1967.

- (2) Under provisions of the 1967 Executive Stock Option Plan, approved by the stockholders on January 19, 1967, 300,000 shares of common stock are reserved for options to officers and executive employees at not less than 100% of the fair market value at date of grant, exercisable not later than five years after date of grant. As of September 30, 1967, no options have been granted under this plan.

Under provisions of the 1956 Executive Stock Option Plan, 60,350 shares of common stock are reserved at September 30, 1967, for options granted to officers and executive employees. These options are exercisable at varying dates through 1972. During the year, options for 4,200 shares were exercised under this plan for an aggregate price of \$63,434.

The company acquired all the outstanding stock of Trade Winds Campers, Inc. as of August 15, 1967, in exchange for 11,124 shares of common stock. This acquisition has been accounted for as a purchase. The \$230,823 market value of the stock issued approximated the net book value of Trade Winds; the nominal difference has been written off to consolidated earnings. The accounts of Trade Winds since date of acquisition are included in the consolidated financial statements.

- (3) The company and its subsidiaries have trustee and insured pension plans for substantially all employees. Total pension and retirement plan costs were \$3,350,731 for the year, including prior service costs and interest thereon which are being charged to expense in approximately equal amounts over a 30-year period. It is the company's intention to fund the past service costs during this period. Total pension funds exceed the actuarially computed value of vested benefits under the plans.
- (4) Certain balances in the September 30, 1966, consolidated financial statements have been reclassified to be consistent with the September 30, 1967, statement presentation.



PRODUCT PARADE

(A) EVINRUDE GULL-WING BOATS now offer four distinct ways to enjoy the smooth ride OMC brought to boating. The 14' 9" Playmate, the 16' Sportsman (shown) and the 19' Rogue have a new running mate in Rogue II—with "convertible" bow design featuring a sliding deck hatch, center-opening windshield and hinged step for use as a forward casting platform. All 1968 Gull-Wing Boats incorporate refinements in styling and design to advance their competitive position.

(B) OMC "FAST-BACK" STERN DRIVES face a rising tide of demand for boat propulsion systems combining the most desirable values of both inboard and outboard design. The 1968 line has been expanded at both ends of the power range—with the addition of a 210-hp V-8 (shown) and an 80-hp 4-in-line. The other power choices are 90-hp, 120-hp, 155-hp, 185-hp and 200-hp. Their performance is making them the power standard for boats of many makes.

(C) JOHNSON SEA-FOIL BOATS now number four models—all with the famous ride-softening, wake-leveling hull pioneered by OMC. New for 1968 is the 16' Seasport II (shown) with 57 sq. ft. of "rec' room" in the wide-open cockpit, a design concept shared with Johnson's big-water champ, the 19' Surfer. A pair of exhilarating runabouts round out a line replete with innovations—the 16' Reveler, and an exceedingly lively compact, the 14' 9" Caprice.



A



B



C



A



B



C

(A) THE LOOP-CHARGED SEA-HORSE 55 on the cover of this report and the V-100 (shown here) are representative results of OMC's formidable program of innovation—destined to make 1968 a landmark year for Johnson and Evinrude outboard motors. In concept as well as detail, the 3-cylinder 55 is a significant break with the past in design and power application . . . puts startling new thrust and speed capabilities in the center of the outboard horsepower range. The 100-hp model demonstrates the growth-continuity and validity of the 2-cycle V-4 design—a fact illustrated just as well by 1968 models of 65-hp and 85-hp. In fuel consumption, for example, our 100-hp motor compares with any 4-cycle inboard (up to 110-hp) at cruising speeds.

(B) The 1½-hp EVINRUDE MATE exemplifies OMC's engineering innovation on the other end of the outboard horsepower range. This 19-lb. single is the smooth-running answer for campers and a wide variety of other users for Evinrude or Johnson quality in a truly compact motor.

With twelve individual power categories, our 1968 outboard line is by far the most complete in the industry. Among the highlights are new 3-hp models joining the family of fishing twins—refined and restyled 5, 6, and 9½ horsepower motors, the last of which ranks as the world's largest-selling outboard. The more powerful twins start with Evinrude's 18-hp Fastwin and Johnson's Sea-Horse 20 . . . include popular motors of 33 and 40 horsepower.

(C) THE SPORTS CAR CONCEPT COMES TO GOLF CARS with the new Gran Cushman GC Series. Newly engineered and completely restyled, available in three- or four-wheel models—gas or electric—Gran Cushmans are fit to lead America's most widely accepted golf car line. Riding smoothness, safety and dependability account for this number one status across the land.

In commercial, industrial, agricultural and municipal applications—Cushman special-purpose vehicles continue to expand their range of effectiveness and acceptance. New products include a unique refuse-handling Truckster, with hydraulically actuated dump body, designed to bring "systematized" savings to municipal refuse collection.

(D) QUICK, QUIET LAWN BOY rotary mowers now include a 6-hp riding model with 30" mower and automatic clutch that permits users to shift through three speeds and reverse without stopping or clutching. Lawn Boy performance is widely recognized wherever there's grass to be mowed. It's acceptance that grows on quiet dependability and "easy-does-it" features—like fingertip starting, fingertip handling and fingertip blade height adjustments.

In addition to the new rider, the 1968 Lawn Boy line incorporates eight walking mowers and a powered edger-trimmer for that final manicured touch. The range includes electric-starting and self-propelled models . . . mower widths of 18", 19" and 21" and a heavy-duty machine especially made for commercial and institutional users.

(E) 1968 PIONEER CHAIN SAWS reflect painstaking attention to engineering detail with clearly superior performance . . . with ingenious new features to make each the handiest, safest, surest-cutting saw in its class. Pioneer exclusives include "Inject-Aire," an idling system that virtually eliminates stalling due to climatic conditions . . . perfect-balance handle design . . . integral gunning sights to help users drop trees exactly where they want them.

The Pioneer line of ten models covers the complete spectrum of chain saw applications—from big-timber logging with the power-packed gear-drive 850, down to weekend "woodsmanship" with the new lightweight Holiday model.



D



E

(A) SURFACE AIR SUPPLY FOR UNDERWATER SWIMMING is the recreational specialty of the Evinrude Aquanaut (shown) and its Johnson counterpart, the Air-Buoy. With one of these floating fresh-air stations tagging along on the surface, two swimmers are able to function naturally in the underwater environment, breathing filtered air direct from the atmosphere, pumped to their face masks via 25-ft. hoses. In addition to purely recreational service—bringing new dimensions to fun in the water—this OMC development has marketable values as a tool for performing such jobs as underwater maintenance of boats and docks.

(B) SECOND GENERATION IN SNOWMOBILES. The way to go on snow is with OMC—the newest snowmobiles in sight. Like the Johnson Skee-Horse Light-Trac 15–60 lbs. lighter than last year's model and nearly 15% more powerful for speed—with the 2-cylinder dependability of our new 16-hp arctic-tuned engine. What's more, all Johnson and Evinrude snowmobiles do their exhilarating with remarkable quietness. They are 50% quieter, in fact, thanks to

silencing treatment that includes special sound-baffling and exhaust tuning. The quiet line includes easy-pull (compression-release) manual-starting models on 15½" and 20½" tracks . . . an electric-starting model on 20½" track.

(C) NEW REVERSE GEAR is standard on OMC 20½" snowmobiles—as illustrated by the Evinrude Skeeter backing away from a snow-fence confrontation. Variable-speed torque-sensing drive makes the most of balanced design and ample track flotation . . . adjusts automatically to changing loads and terrain conditions. Both Evinrude and Johnson look back on remarkable records of growth, turning winter into a more profitable marketing season for OMC. With the 1968 models, abounding in new features, we expect to enlarge our share of a rapidly growing market.

*See picture page 3. The '68 campers by Trade Winds include six models—three "hard-tops" and three "soft-tops." New construction and comfort features, new styling and color-scheming serve to make this camper line ever more attractive to outdoor-minded family vacationists.



A



B



C



AUTOMATED SERVICE TRAINING CENTERS

"No bubble is so iridescent or floats longer than that blown by a successful teacher."

—SIR WILLIAM OSLER

The Corporation this year brought something new and infinitely promising to successful teaching of specialized mechanical skills—to meet the needs of divisional dealer service organizations. A network of four regional training centers now brings electronic automation to teaching of maintenance and repair procedures developed at OMC's factory service schools.

Key tools are audioVision instruction machines. Each console, programmed with 4 channel tape-recorded verbal instructions and color slides, serves two trainees at a completely equipped work bench. After introducing the assignment, in words and pictures, the machine follows through with step-by-step audio-visual presentation. Students are free to set their own pace—being able to stop and restart the sequence at will.

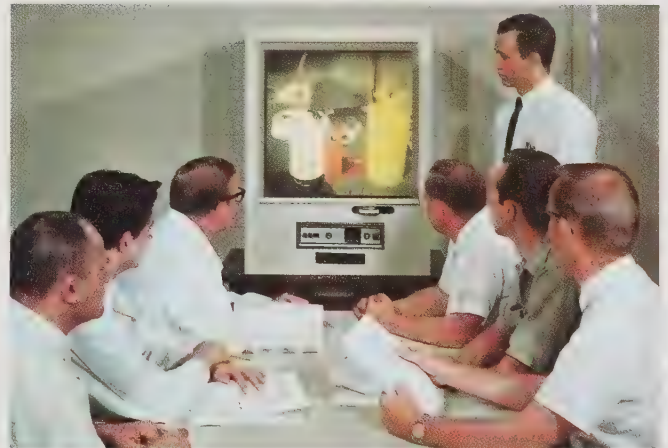
From time to time, the machine conducts a quiz, with students answering by pushing one of three color-keyed buttons. The tape recording then gives the correct reply . . . explains why the trainees' answers were either right or wrong.

This system's contribution to successful teaching is evidenced daily. By enabling the student to learn while executing actual service procedures under controlled conditions—with professionally prepared narrative and graphics—the technique reduces the time and improves the effectiveness of training. Moreover, it permits OMC instructors to make optimum use of their time, offering personal guidance whenever and wherever required.

The extent of the system's value to our operations may be measured by the fact that audioVision programs now cover all servicing procedures for Evinrude and Johnson outboard motors, snowmobiles and surface-air-supplies for underwater swimming . . . for OMC stern-drive units . . . and for many Lawn Boy power units. Other procedures already programmed include general training in troubleshooting, theory of two- and four-cycle engine operation, service and parts department management.

Another area of opportunity involves foreign language translations of taped instructions for use by OMC subsidiaries abroad.

The promise of our automated approach to teaching extends beyond the immediate values enjoyed by the Corporation. An experiment at our Miami Training center (in cooperation with the Dade County Board of Education) revealed significant potentialities in vocational education—particularly, in the schooling of youngsters who are slow to respond to conventional academic teaching methods.



Boys selected from the special education programs of several Miami area high schools took part in the experiment. Our "follow-the-leader" technique of audioVision instruction, with its graphic clarity and friendly verbal presentation, served to overcome learning blocks and improve motivation. As the boys became more involved, their attention spans increased. A comment by one of the youngsters sums up the response more succinctly than anything we might say—"I feel more important than when I am in school."

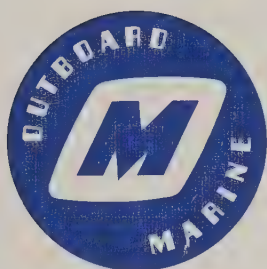
While the Miami experiment can only be measured as a pilot test of our automated training method in general education, it represents a worthwhile venture in corporate citizenship. If a teaching system developed to serve a commercial purpose can be extended to serve the community, the results will be rewarding to us all.

OUTBOARD MARINE



Corporation

**OUTBOARD MARINE
CORPORATION
*FACT BOOK***



file

**OUTBOARD MARINE
CORPORATION**
WAUKEGAN, ILLINOIS

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OUTBOARD MARINE CORPORATION

100 Pershing Road
Waukegan, Illinois 60085
A. C. 312 244-5200
Cable Address: OMCORP

BOARD OF DIRECTORS

R. S. Evinrude, *Chairman of the Board
and Chairman of the Executive Committee*

J. B. Briggs	I. Levin	J. L. Rayniak
F. T. Irgens	C. E. Nelson	W. C. Scott
U. T. Kuechle	R. Merrell	R. F. Wallace

OFFICERS

R. S. Evinrude.....	<i>Chairman of the Board</i>
W. C. Scott.....	<i>President and General Manager</i>
J. L. Rayniak.....	<i>Executive Vice President</i>
H. L. Bourdon.....	<i>Vice President</i>
J. B. Briggs.....	<i>Vice President, Marketing Non-Marine Products</i>
J. R. Clarke.....	<i>Vice President Industrial Relations</i>
W. C. Conover.....	<i>Vice President</i>
H. O. Ewald.....	<i>Vice President</i>
F. T. Irgens.....	<i>Vice President Engineering and Research</i>
E. W. Kreager.....	<i>Vice President</i>
H. F. Larson.....	<i>Vice President, Marketing Marine Products</i>
C. T. Morris.....	<i>Vice President</i>
R. H. Scott.....	<i>Vice President</i>
C. D. Strang.....	<i>Vice President, Engineering</i>
R. F. Wallace.....	<i>Vice President, Finance</i>
J. R. Seeger.....	<i>Secretary</i>
E. W. Hollmann.....	<i>Treasurer and Assistant Secretary</i>
S. L. Richardson.....	<i>Controller</i>
K. A. Pope.....	<i>Assistant Treasurer</i>
G. F. Schneider.....	<i>Assistant Secretary</i>
H. J. Healy.....	<i>Assistant Secretary</i>

CORPORATION OFFICES ENGINEERING

F. T. Irgens* *Vice President
Engineering Research and Development*
C. D. Strang..... *Director of Marine
Engineering, Vice President*
J. W. Mohr** *Director of Research*

FINANCE

R. F. Wallace..... *Vice President*
E. W. Hollmann..... *Treasurer and
Assistant Secretary*
K. A. Pope..... *Assistant Treasurer*
S. L. Richardson..... *Controller*
J. R. Seeger..... *Secretary and
Corporate Attorney*

INDUSTRIAL RELATIONS

J. R. Clarke..... *Vice President*
T. H. Wait..... *Industrial Relations Manager*
P. M. Meldahl..... *Industrial Relations
Coordinator*
I. L. Moody..... *Assistant to the
Vice President*

MANUFACTURING COORDINATION AND PLANNING

J. L. Rayniak..... *Executive
Vice President*
M. M. Potter..... *Assistant to the
Executive Vice President*
E. W. Kreager..... *Vice President
Special Manufacturing Development*
F. J. Jelovsek..... *Director of Manufacturing
Coordination*
J. A. Illes..... *Director of Transportation*
Paul Whittier..... *Manager Central
Records Department*

GOVERNMENT AND SPECIAL SERVICES

H. F. Larson* *Vice President, Marketing
Marine Products*
S. H. Otis..... *Service Manager*

MARKETING

Non-Marine Products

J. B. Briggs..... *Vice President*
S. F. Briggs II..... *Marketing Planning Manager*
R. Trapp..... *Manager of Engineering
Snowmobiles*

Marine Products

H. F. Larson* *Vice President*
R. J. Lemay* *Assistant to the
Vice President*
S. H. Otis..... *Service Manager*

*Outboard Marine Corp., 4143 North 27th Street,
Milwaukee, Wis. 53216, A.C. (414) 445-0643
Cable Address: OMCO

**Research Center, 4109 N. 27th St., Milwaukee,
Wisconsin 53216, (414) 445-9134

PUBLIC RELATIONS

R. J. Lemay

Home Phone:

A.C. (414) 476-2093, Milwaukee, Wis.

PUBLIC RELATIONS COUNSEL

Oristano-Pearsall Associates

Division Farley Manning Associates

342 Madison Avenue, New York, N. Y. 10017

A.C. (212) 697-7292

FACILITIES

Plant and buildings with total floor space of
5,000,000 square feet

EMPLOYEES

Approximately 12,000

PRODUCTS

Evinrude and Johnson outboard motors, stern-drive engines, stern-drive boats, snowmobiles and skin-diving equipment; OMC 80, 120, 155, 185, 200 and 210 h.p. 4-cycle and 90 hp. 2-cycle inboard-outboard engines; Lawn-Boy rotary power mowers, garden rider vehicles, rotary tillers and edgers; Cushman three and four-wheeled sports and industrial vehicles; Pioneer chain saws; and Trade Winds campers and snow vehicles.

Formed in 1936 as Outboard, Marine and Manufacturing Company, the name was changed to Outboard Marine Corporation in 1956. Today it is the world's largest manufacturer of outboard motors and a growing force in other fields such as power mowers, chain saws and small vehicles. OMC consists of five divisions.

OMC has plants, offices, warehouses, research, engineering and other facilities in the United States, Canada, the Bahamas, Belgium and Australia.

The company operates one of the largest captive aluminum die casting plants in the world, more than 300,000 square feet, in Waukegan, Illinois. Its products are sold in more than 100 countries.

CUSHMAN MOTORS

Lincoln, Nebraska 68501

A.C. (402) 435-2131

Cable Address: CUSMO

C. T. Morris.....	<i>Division Manager (Vice President OMC)</i>
V. E. Border.....	<i>Director of Sales and Advertising</i>
A. Stephan.....	<i>Sales Manager</i>
D. T. Jones.....	<i>Advertising Manager</i>
O. J. Wisbey.....	<i>Service Manager</i>
R. D. VonSeggern.....	<i>Chief Engineer</i>
D. G. Cooper.....	<i>Director of Industrial Relations</i>
E. J. Healy.....	<i>Director of Accounting</i>
J. W. Creighton.....	<i>Factory Manager</i>

PUBLIC RELATIONS

D. T. Jones

Home Phone: A.C. (502) 423-8768

ADVERTISING AGENCY

Valentine-Radford, Inc. A.C. (816) 842-5104

1049 Central Street

Kansas City, Missouri

FACILITIES

Approximately 522,000 sq. ft., including storage

EMPLOYEES

Approximately 750

PRODUCTS

Cushman produces gasoline and electric-powered golf and utility vehicles; including three and four-wheeled golf cars, three-wheeled industrial and utility vehicles manufactured with many special body adaptations for a wide variety of purposes. Distribution of Cushman industrial products is through direct factory dealers; golf cars are through distributors.

Cushman Motors Works, Inc., was founded in Lincoln, Nebraska in 1901. Its first product was a two-cycle gasoline marine engine. In 1922 it began producing four-cycle air-cooled engines. It merged with Easy Manufacturing in 1934, and in 1936 manufactured the first all-purpose, lightweight motor vehicle. Cushman Motors became a subsidiary of OMC in 1957 and a division in 1962.

EVINRUDE MOTORS

4143 North 27th Street
Milwaukee, Wisconsin 53216
A.C. (414) 445-0643
Cable Address: EVINRUDE

STAFF

R. H. Scott.....Division Manager
(*Vice President OMC*)
M. O. Wichert.....*Assistant to Division
Manager and Director of Accounting*
R. N. West, Jr.....*Director of Sales
and Advertising*
C. S. Germain.....*Sales Manager*
G. Paxton.....*Ass't Sales Manager*
T. Montiegel.....*Sales Promotion Manager*
E. Robbins.....*Advertising Manager*
T. A. Dorwin.....*Assistant Advertising Manager*
F. A. Landwehr.....*Advertising Production
Manager*
E. W. Hanson.....*Public Relations Manager*
J. H. Jost.....*Assistant Public Relations Manager*
J. W. Ascott.....*Service Manager*
W. F. Spaeth.....*Manager of Engineering
and Quality Control*
W. B. Smale.....*Director of Value Management*
M. Saks.....*Director of Industrial Relations*
A. E. Narf.....*Factory Manager*
S. C. Scott.....*Products Sales Manager
Snowmobiles and Diving Apparatus*

PUBLIC RELATIONS

E. W. Hanson
Home Phone: A.C. (414) 332-2502
J. H. Jost
Home Phone: A.C. (414) 771-8494

PUBLIC RELATIONS COUNSEL

Oristano-Pearsall Associates
Div. of Farley Manning Associates, Inc.
342 Madison Avenue, New York, N. Y. 10017
A.C. (212) 697-7292

ADVERTISING AGENCY

The Cramer-Krasselt Company
733 North Van Buren Street
Milwaukee, Wisconsin 53202
A.C. (414) 276-3500

FACILITIES

Approximately 850,000 sq. ft.

EMPLOYEES

Approximately 1,800

PRODUCTS

Outboard motors from 1½ to 115 h.p., 14, 16 and 19-foot fiberglass inboard-outboard boats, 90, 120, 155 and 210 h.p. stern-drive engines, boat trailers, snowmobiles and skin diving equipment.

Ole Evinrude founded Evinrude Motors in 1909 and Elto Outboard Company in 1921. In 1929 these two companies and Lockwood Outboard Motor Company were merged to form Outboard Motors Corporation. In 1936, with the acquisition of Johnson Motors, the Outboard, Marine and Manufacturing Company was formed (present Outboard Marine Corporation) with Evinrude as a division. Today, Evinrude is one of the world's leading marketers of outboards for recreational and commercial use. OMC's subsidiaries manufacture Evinrude motors in Australia, Canada and Belgium and market Evinrude outboards throughout the world.

GALE PRODUCTS

Galesburg, Illinois 61401

A.C. (309) 342-2131

Cable Address: GALEPRO

STAFF

H. L. Bourdon.....	<i>Division Manager (Vice President OMC)</i>
R. C. Floersch.....	<i>Parts Depot Manager</i>
S. C. Spink.....	<i>Director of Sales and Advertising</i>
J. P. Litchfield.....	<i>Sales Manager (Lawn-Boy)</i>
R. M. Cors.....	<i>Sales Manager (Stern Drive and Accessories)</i>
R. J. Collinson.....	<i>Sales Promotion Manager</i>
W. R. Parker.....	<i>Advertising Manager</i>
C. J. Lear.....	<i>Service Manager</i>
H. S. Williams.....	<i>Chief Engineer (Marine Accessories)</i>
L. L. Ewing.....	<i>Chief Engineer (Lawn-Boy)</i>
R. A. Shover.....	<i>Director of Industrial Relations</i>
K. J. Hollmann.....	<i>Director of Accounting</i>
E. J. Dosing.....	<i>Factory Manager</i>

PUBLIC RELATIONS

S. C. Spink

Home Phone: A.C. (309) 343-1098

ADVERTISING AGENCY

MacManus, John & Adams, Inc.

430 North Michigan Avenue

Chicago, Illinois

A.C. (312) 467-4200

FACILITIES

Approximately 857,000 sq. ft.

EMPLOYEES

Approximately 1,900

PRODUCTS

Gale Products manufactures and markets Lawn-Boy rotary power lawn mowers, push and rider models, and tillers. It markets OMC

(Marine) Accessories which include remote controls, generators, electric-starting kits, auxiliary fuel tanks, primer pumps, propellers, radio noise suppression kits, lubricants, engine care products and remote control power tilt mechanisms for outboard motors. This division also sells 80, 120, 155, 185, 200 and 210 h.p. 4-cycle and 90 h.p. 2 cycle inboard-outboard engines to boat builders for installation as original equipment. The OMC Parts Depot at Galesburg handles distribution of parts and accessories for all OMC products, except Cushman vehicles. Gale Products, which was a part of Johnson Motors Company, was moved to Galesburg, Illinois in 1937 and established facilities to produce refrigeration units, outboard motors and parts. On January 1, 1939, Gale Products became a separate Corporate division. It began production of outboard motors for private label (Montgomery Ward) retailers in 1941. In 1950 it introduced the Gale-Buccaneer line of outboards for marketing through distributors and dealers. Gale ceased production of private label and Gale-Buccaneer line at the end of the 1963 season. The division began manufacturing Lawn-Boy products in October, 1963. Its facilities consist of a 350,000 sq. ft. Parts Depot.

In February, 1966, Outboard Marine Corporation acquired San Francisco Distributors, Inc. Under the direction of Gale Products division, this wholly-owned subsidiary distributes spare parts and accessories for most OMC products in Northern California, the Central California counties of Inyo, Tulare, Kings and Monterey, and Western Nevada. This subsidiary is also a distributor for Lawn-Boy products.

JOHNSON MOTORS

200 Pershing Road
Waukegan, Illinois 60085
A.C. (312) 662-6200
Cable Address: JOMOCO

STAFF

W. C. Conover.....	<i>Division Manager (Vice President OMC)</i>
T. B. Kalbfus.....	<i>Director of Sales and Advertising</i>
R. J. Preston.....	<i>Sales Manager</i>
B. M. Caris.....	<i>Sales Promotion Manager</i>
J. R. Millard.....	<i>Product Manager (Boats and Motors)</i>
D. Carse.....	<i>Product Manager (Snowmobiles and Diving Equipment)</i>
C. D. Palmer, Jr.....	<i>Advertising Manager</i>
J. F. Tuzee.....	<i>Public Relations Manager</i>
R. A. Pedderson.....	<i>Assistant Public Relations Manager</i>
L. W. Eppel.....	<i>Service Manager</i>
J. E. Mellinger.....	<i>Division Engineer</i>
E. J. Schroedter, Jr.....	<i>Director of Industrial Relations</i>
C. P. Crooks.....	<i>Director of Accounting</i>
C. Ruesch.....	<i>Factory Manager</i>

PUBLIC RELATIONS

J. F. Tuzee
Home Phone: A.C. (312) 244-3229
Waukegan, Illinois

R. A. Pedderson
Home Phone: (312) 244-2802

PUBLIC RELATIONS COUNSEL

J. Walter Thompson
410 North Michigan Avenue
Chicago, Illinois
A.C. (312) 664-6700

ADVERTISING AGENCY

Baker, Johnson & Dickinson
740 North Plankinton Avenue
Milwaukee, Wisconsin 53203
A.C. (414) 273-7210

FACILITIES

Approximately 1,053,000 sq. ft.

EMPLOYEES

Approximately 3,400

PRODUCTS

Outboard motors from 1½ to 115 h.p. — 90, 120, 155 and 210 h.p. inboard-outboard engines, 17 and 19-foot fiberglass sterndrive boats, boat trailers, snowmobiles and skin-diving equipment.

Johnson Motors was founded in 1921. The brothers Lou, Harry and Clarence Johnson, motor bike manufacturers, and J. G. Rayniak developed a lightweight, two-cylinder, two-cycle outboard and established the Johnson Motor Company to produce them.

It was acquired by OMC in 1935 and became a division in 1936. The millionth Johnson motor was manufactured in 1953. Production in subsequent years has been at a greatly accelerated rate; the two-millionth Johnson motor was produced in 1960. In 1967 the division announced it had produced its 3,500,000th motor. Corporation subsidiaries produce Johnson motors in Canada, Belgium and Australia. One of the leading names in outboards, Johnson motors are sold throughout the world.

OMC BOATS

3145 Central Avenue
Waukegan, Illinois 60086
A.C. (312) 244-1100
Cable Address: OMCORP

STAFF

H. O. Ewald.....*Division Manager*
(Vice President OMC)
R. F. Strahan.....*Manager of Quality Control*
J. H. Parks.....*Director of Industrial*
Relations
J. C. Pieroni.....*Director of Accounting*
R. R. Scheinert.....*Factory Manager*

FACILITIES

Approximately 447,000 sq. ft.

EMPLOYEES

Approximately 600

PRODUCTS

Manufactures 14, 16 and 19-foot inboard-outboard boats as well as boat trailers, which are marketed by the Evinrude and Johnson divisions. This division assembles, stores and ships four-cycle stern drive engines to OEM customers as well as accessories needed for the stern drive engines. It performs boat research, engineering and manufacturing functions.

This division was formed in 1960 to develop a line of boats and stern drive power plants and marketed these units until the Fall of 1963 when the marketing functions were transferred to the Evinrude and Johnson divisions.

OUTBOARD MARINE CORPORATION OF CANADA LTD.

Peterborough, Ontario, Canada
Telephone: A.C. (705) 743-2261
Cable Address: OMCOL

DIRECTORS

W. C. Scott, *Chairman of the Board*

F. R. Barrett R. S. Evinrude P. McArthur
T. P. McMillan B. L. Payne J. L. Rayniak

STAFF

T. P. McMillan.....*President and
General Manager*
B. L. Payne.....*Vice President and
Assistant General Manager*
P. McArthur.....*Vice President and
Director of Sales and Marketing*
F. R. Barrett.....*Vice President Manufacturing*
L. G. Groombridge.....*Secretary-Treasurer*
R. E. Baer.....*Sales Manager, Marine Products*
E. E. Murphy.....*Sales Manager
Non-Marine Products*
R. G. Outram.....*Advertising Manager*
J. W. Perdue.....*Public Relations Director*
D. H. Wood.....*Service Manager*
M. L. Brier.....*Chief Division Engineer*
A. M. Metcalfe.....*Director of
Industrial Relations*

PUBLIC RELATIONS

J. W. Perdue
Home Phone: A.C. (705) 742-4749

ADVERTISING AGENCIES

Ardiel Advertising Agency
4 Lawton Boulevard
Toronto, Ontario, Canada

Foster Advertising Limited
Foster Building
149 Alcorn Avenue
Toronto, Ontario, Canada

FACILITIES

Approximately 651,000 sq. ft.

EMPLOYEES

Approximately 1,700

PRODUCTS

Evinrude and Johnson outboard motors, 80, 120, 155, 200 and 210 h.p. 4-cycle and 90 h.p. 2-cycle inboard-outboard engines, snowmobiles, skin-diving equipment and Lawn-Boy power mowers. Outboard Marine Corporation of Canada Ltd., originally a Johnson Motor Company subsidiary, was founded in 1928. It became a subsidiary of OMC when Johnson Motors was acquired in 1935. Four subsidiaries have been added to the Canadian operation: Pioneer Saws Ltd., Peterborough, Canada; Outboard Marine Australia Pty. Limited, Bankstown, N.S.W., Australia; Outboard Marine Belgium S.A.; Bruges, Belgium; and Outboard Marine International S.A., Nassau, Bahamas.

OUTBOARD MARINE AUSTRALIA PTY. LIMITED

P. O. Box 92 (84 Canterbury Road)

Bankstown, N.S.W., Australia

Telephone: 70-0701

Cable Address: OMAR

DIRECTORS

Sir Norman L. Nock, *Chairman of the Board*
W. C. Scott (*Alternate*) J. M. Greenwood
T. P. McMillan (*Alternate*) N. R. Head
G. M. Andrews F. W. Milton

STAFF

F. W. Milton.....*General Manager*
S. O. Bush.....*Manager Southern States
of Australia (Melbourne Branch)*
R. L. Ingram.....*Sales Manager*
P. D. Daniel.....*Export Manager*
K. Marshall.....*Advertising and Public
Relations Manager*
I. T. Matheson.....*Service Manager*
A. Steed.....*Technical Manager*
B. R. Monks.....*Secretary-Treasurer*
R. Peterson.....*Factory Manager*

FACILITIES

Approximately 93,000 sq. ft. Bankstown, N.S.W.

EMPLOYEES

Approximately 250

PRODUCTS

Evinrude and Johnson outboard motors from 1½ to 115 h.p.

This subsidiary was formed in January of 1960. It is a joint venture of Nock and Kirby, Ltd., of Sydney, N.S.W., and Outboard Marine Corporation of Canada Ltd. and assembles and markets outboard motors and Pioneer chain saws in Australia and its territories.

OUTBOARD MARINE BELGIUM S.A.

72, Pathoekeweg

Bruges, Belgium

Telephone: 050/15191

Cable Address: OMBESA

DIRECTORS

W. C. Scott, *Chairman of the Board*

G. K. Ahlers J. L. Rayniak, R. B. Webster

STAFF

G. K. Ahlers.....*Administrateur
Delegue (President)*

A. LeVernoy.....*Director of Marketing*

J. M. Tito.....*Sales Manager Marine Products*

J. P. Allain.....*Sales Manager
Vehicle Industrial Group*

E. Hintermeister.....*Sales Manager, Chain Saws*

C. Bastenier.....*Sales Manager, Lawn-Boy*

A. Haag.....*Advertising and Public
Relations Manager*

H. V. Jenkins.....*Service Manager*

P. van Donkelaar.....*Chief (Division) Engineer*

M. Bellaert.....*Industrial Relations and
Personnel Supervisor*

W. Umbrain.....*Secretary-Treasurer*

N. Bove.....*Factory Manager*

J. de Blauw.....*Production Manager*

ADVERTISING AGENCY

J. Walter Thompson, S.A.

17 Avenue Matignon

Paris 8, France

FACILITIES

Approximately 456,000 sq. ft., Bruges, Belgium

EMPLOYEES

Approximately 1,000

PRODUCTS

Evinrude and Johnson outboard motors from 1½ to 115 hp.

In the fall of 1966 this subsidiary began manufacturing power lawn mowers, snowmobiles and chain saws.

OMBESA was formed in 1957 to assist in supplying the European and other foreign markets with OMC products. The plant opened in May, 1958. Within two years it was expanded from its original 70,000 sq. ft. to approximately 110,000 sq. ft. In 1960, it was further expanded to increase plant area to 231,000 sq. ft. Upon completion of this expansion, operations were extended from assembly only to parts production and assembly of Evinrude and Johnson engines. In 1964 in order to expand service in its marketing areas for all OMC products, a 48,000 sq. ft. service depot was built. This facility now serves distributors in Europe, the Middle East and Africa.

OUTBOARD MARINE INTERNATIONAL

Administrative and Sales Office:
P. O. Box 830, Nassau, Bahamas
Telephone: 2-8531
Cable Address: OMISA and OMINC

OUTBOARD MARINE INTERNATIONAL INC. (OMINC)

Wilmington, Delaware

DIRECTORS

W. C. Scott, *Chairman of the Board*
J. J. Butler, Jr., *President*
E. W. Hollmann, *Secretary-Treasurer*

STAFF

J. J. Butler, Jr. *President and
Managing Director*
P. G. Wassitsch *General Sales Manager*
D. E. Malloy *Sales Manager
Non-Marine Products*
R. L. Perry *Advertising and Public
Relations Manager*
G. Lynn *Service Manager*
J. W. McLean *Accounting and Office
Manager*
W. Wershoven *Traffic Manager*

ADVERTISING AGENCY

MacLaren Overseas Limited
P. O. Box 4860
Norfolk House
Nassau, Bahamas
Telephone: 2-1420

FACILITIES

Office in Nassau, Bahamas

PRODUCTS

Outboard Marine International S.A. is an OMC marketing organization serving those areas of the world not supplied by Outboard Marine Belgium S.A. and Outboard Marine Australia Pty. Ltd.

Outboard Marine International Inc. is a Western Hemisphere Trading Corporation serving all markets in the Western Hemisphere with the exception of Bermuda, Canada, the U.S.A. and the Falkland Islands.

OMISA and OMINC market all of the following products:

Evinrude and Johnson outboard motors, in-board-outboard boats, trailers, stern-drive engines and skin diving equipment; Cushman vehicles; Lawn-Boy power mowers, and tillers; and Pioneer chain saws.

PIONEER SAWS LTD.

Peterborough, Ontario, Canada

Telephone: A.C. (705) 743-2261

Cable Address: PIONEER

DIRECTORS

W. C. Scott, *Chairman of the Board*

D. H. Bell-Irving J. B. Briggs F. T. Irgens

T. B. McMillan J. D. Mennell B. L. Payne

STAFF

J. D. Mennell.....*President*

F. J. McDonald.....*Assistant to the President*

H. H. Schilling.....*Sales Manager*

C. C. Schumacker.....*Advertising Manager*

D. H. Shand.....*Service Manager*

D. L. Dickson.....*Chief Engineer*

L. G. Groombridge.....*Secretary-Treasurer*

PUBLIC RELATIONS

J. W. Perdue

Home Phone: A.C. (705) 742-4749

PRODUCTS

Manufactures and markets Pioneer direct-drive and gear-driven chain saws in Canada and the United States.

In 1956, Outboard Marine Corporation of Canada Ltd., purchased Industrial Engineering Limited, Vancouver, Canada, which was producing Pioneer chain saws for Canadian, U. S. and world distribution. In 1958, the I.E.L. name was changed to Pioneer Saws Ltd. and the manufacturing operations were transferred to Outboard Marine Corporation of Canada Ltd., Peterborough, which now produces the Pioneer line.

TRADE WINDS COMPANY, INC.

Manawa, Wisconsin 54949

A.C. (414) 596-2505

STAFF

C. Dretzke.....*President*

R. L. Steinmetz.....*General Manager*

J. McGregor.....*Director of Marketing*

R. Reeb.....*Advertising and
Public Relations Manager*

T. Anderson.....*Service Manager*

W. Russell.....*Chief Engineer*

PUBLIC RELATIONS

R. Reeb

Home Phone: A.C. (414) 596-3513

ADVERTISING AGENCY

Baker, Johnson & Dickinson

740 North Plankinton Avenue

Milwaukee, Wisconsin 53203

FACILITIES

60,000

EMPLOYEES

140

PRODUCTS

Manufactures and markets four basic tent trailers ranging from an eight-sleeper luxury model to a stripped-down twin bed version. In addition to tent trailers, Trade Winds produces snowmobiles in 11.5, 15, 17 and 20 h.p., along with a high performance 34 h.p. model with a 15.5" track. Accessories include electric starter kits, sleighs and covers.

Trade Winds was acquired in August, 1967, giving OMC a ready-made subsidiary experienced in the manufacture and distribution of camping trailers. The acquisition complements OMC's long-range marketing objectives to expand its line of recreational products, thus benefiting from the nation's increasing leisure time and greater disposable income.

MARINE ENGINEERING

300 Pershing Road
Waukegan, Illinois 60085
A.C. (312) 244-5200
Cable Address: OMCORP

STAFF

C. D. Strang.....*Director of Marine Engineering, Vice President*

ENGINE SECTION

S. L. Metcalf.....*Chief Engineer*

R. P. Hulsebus.....*Chief of Design and Development*

C. A. Hart.....*Supervisor, Design Section*

R. H. Lincoln.....*Administrative Engineer*

C. C. Noble.....*Manager of Outboard Projects*

G. E. Miller.....*Manager of Technical Services*

L. W. Foster.....*Manager of Rotary Combustion Engine Projects*

D. H. Wood.....*Chief Electrical Engineer*

H. J. Hertling.....*Chief Fuel Systems Engineer*

K. F. Ziegler.....*Staff Engineer, Advanced Engineering Engines*

W. J. Shimanckas.....*Staff Engineer, Advanced Engineering Lower Units*

A. J. Yourich.....*Staff Engineer, Service and Manufacturing*

R. M. MacGregor.....*Chief Draftsman*

H. M. Kuemin.....*Manager of Engineering Tests*

BOAT SECTION

R. E. Lambrecht.....*Chief Engineer*

R. H. Bergquist.....*Administrative Engineer*

L. E. Granholm.....*Naval Designer*

M. T. Stevens.....*Product Stylist*

D. N. Burmeister.....*Coordinator Service and Manufacturing*

The Marine Engineering Center is the headquarters for design and testing of all OMC marine products.

Formed in 1960, its building on Waukegan Harbor contains 140,700 square feet for engineering offices, conference rooms, testing laboratories, pattern shops, machine shops and a boat house.

The facility provides all technical personnel and equipment to design, develop, build and test marine products, from single components to complete prototypes. Divisions maintain engineering staffs for production supervision, in-plant product improvement and liaison with corporate engineering.

OUTBOARD MARINE CORPORATION TEST STATIONS

1067 Tenth Avenue S.
Naples, Florida 33940
A.C. (813) 642-5191

P. O. Box 2126
(250 North Flagler Avenue)
Stuart, Florida 33494
A.C. (305) 287-1505

The major activity of the OMC Test Stations is water testing of all outboard motors, stern drive engines and boats under a variety of use conditions.

The Test Station, in Naples, Florida, part of Marine Engineering, was established in 1945. It includes a 23,000 sq. ft. waterfront operations building, plus slips and dock facilities.

The OMC Test Station, in Stuart, Florida, started its operation in early 1966.

Both test stations under the direction of C. D. Craig, include groups of technicians, machinists, and mechanics, equipped with sophisticated testing equipment.

SOLANA STUDIOS

P. O. Box 1068
Naples, Florida 33940
A.C. (813) Mi 2-1256

C. D. Craig, General Manager

This completely equipped photographic studio processes division and corporate still and motion picture photography used by all OMC divisions. It also serves as film distributor for all OMC divisions. The 12,000 sq. ft. facility is adjacent to the OMC Test Station.

OUTBOARD MARINE CORPORATION RESEARCH CENTER

4109 North 27th Street
Milwaukee, Wisconsin 53216

Cable Address: OMCO

A.C. (414) 445-9134

STAFF

J. W. Mohr.....*Director of Research*

G. Haft.....*Research Section Manager*

B. K. Ghandhi.....*Research Section Manager*

R. C. Shebuski.....*Research Section Manager*

The Research Center carries out programs of basic and applied research in broad fields of the Corporation's interest. It was established in 1950 to complement the activities of the divisions' engineering departments. Its main purpose is to develop knowledge for the improvement of OMC products, and to explore the technical feasibility of new products.

The staff includes approximately 100 highly skilled and creative engineers, designers, modelmakers, technicians and other supporting personnel.

The facility has 30,000 sq. ft. for laboratories, shops, test cells and offices.

OUTBOARD MARINE CORPORATION CONSOLIDATED STATISTICAL DATA

Year Ended September 30

At September 30

Date	Annual Sales \$	Net Earnings* \$	Gross Investment in Plant and Equipment \$	Total Assets \$	Stockholders Equity \$
1937	6,843,000	940,000	2,262,000	3,782,000	3,050,000
1938	6,650,000	714,000	2,393,000	3,912,000	3,269,000
1939	8,267,000	1,037,000	2,608,000	4,594,000	3,693,000
1940	9,987,000	1,315,000	2,965,000	5,603,000	4,361,000
1941	13,028,000	1,519,000	3,286,000	7,516,000	5,048,000
1942	16,000,000	1,122,000	3,624,000	13,662,000	5,725,000
1943	42,279,000	1,171,000	3,909,000	17,535,000	6,017,000
1944	32,959,000	1,087,000	4,210,000	20,436,000	6,436,000
1945	27,568,000	1,234,000	4,974,000	14,886,000	7,001,000
1946	17,036,000	991,000	6,213,000	14,188,000	7,309,000
1947	29,119,000	2,605,000	7,693,000	17,151,000	9,141,000
1948	31,534,000	2,012,000	9,253,000	16,926,000	10,173,000
1949	26,951,000	1,806,000	10,312,000	16,393,000	11,088,000
1950	27,033,000	2,976,000	10,745,000	19,026,000	13,172,000
1951	30,552,000	2,769,000	11,277,000	21,288,000	15,050,000
1952	42,911,000	2,559,000	13,079,000	24,935,000	17,489,000
1953	60,825,000	3,019,000	17,215,000	31,378,000	19,425,000
1954	73,394,000	5,458,000	21,980,000	36,086,000	23,351,000
1955	85,856,000	7,864,000	24,628,000	42,681,000	28,756,000
1956	122,045,000	12,098,000	33,891,000	65,854,000	46,794,000 (1)
1957	150,476,000	13,071,000	53,618,000	100,218,000	70,433,000 (1)
1958	158,713,000	9,095,000	59,396,000	105,727,000	73,563,000
1959	171,569,000	13,785,000	62,804,000	119,301,000	81,453,000
1960	171,392,000	12,568,000	68,573,000	127,078,000	87,748,000
1961	132,335,000	4,774,000	73,920,000	123,222,000	86,023,000
1962	151,861,000	7,036,000	79,254,000	127,396,000	86,541,000
1963	153,056,000	6,505,000	82,380,000	126,465,000	88,087,000
1964	170,011,000	8,053,000	82,982,000	128,832,000	92,701,000
1965	180,712,000	10,642,000	85,227,000	134,068,000	98,267,000
1966	212,493,000	15,666,000	88,574,000	146,235,000	108,440,000
1967	233,352,000	15,230,000	98,436,000	165,092,000	117,597,000

* Including special credits of \$290,843 in 1946 and \$350,000 in 1949. (1) Includes net proceeds of new shares issued: 1956 — \$9,873,325; 1957 — \$15,876,707

STATISTICAL DATA

Years Ended September 30

Calendar Year

Date	Earnings per Share (1)	Book Value per Share (1)	Net Working Capital	Cash Dividends Paid Per Share (1)
1937	\$.15	\$.48	\$ 1,877,244	\$.12
1938	.11	.52	2,078,194	.09
1939	.16	.58	2,488,600	.10
1940	.18	.65	2,734,050	.10
1941	.24	.79	3,568,889	.10
1942	.14	.86	3,143,109	.10
1943	.18	.94	4,147,107	.10
1944	.17	1.00	7,020,282 (2)	.10
1945	.19	1.09	7,905,511	.11
1946	.15	1.14	8,001,763 (3)	.11
1947	.41	1.42	8,686,825	.14
1948	.31	1.59	8,674,661	.14
1949	.28	1.73	9,128,797 (4)	.14
1950	.46	2.05	11,180,100	.14
1951	.43	2.34	12,769,317	.14
1952	.40	2.72	12,899,427	.14
1953	.47	3.03	13,436,584 (5)	.17
1954	.85	3.64	15,931,710 (6)	.24
1955	1.23	4.48	19,321,608	.38
1956	1.76	6.52	27,125,916	.57
1957	1.78	9.03	42,664,347 (7)	.70
1958	1.16	9.40	49,189,832	.80
1959	1.76	10.37	55,391,000	.80
1960	1.56	11.14	65,162,000	.80
1961	.58	10.92	59,920,000	.80
1962	.86	10.98	56,823,000	.80
1963	.80	11.18	61,120,000	.60
1964	1.02	11.75	63,833,000	.45
1965	1.35	12.45	70,105,000	.65
1966	1.97	13.63	80,359,000	.80
1967	1.91	14.76	77,751,000	.80

(1) Per share data has been adjusted for all stock splits, stock dividends and new share issued.

(2) Includes proceeds of 3¼% notes sold in September, 1944.

(3) Includes additional proceeds of 3¼% notes sold in March, 1946.

(4) Includes proceeds of 3½% debentures sold in January, 1949.

(5) Includes additional proceeds of 3¾% notes sold in October, 1952.

(6) Includes proceeds of 4½% notes sold in December, 1953, and 4¾% debentures sold in January, 1954.

(7) Includes proceeds of 5% notes sold by September 30, 1957, and additional 4¼% notes sold in September, 1957.

EMPLOYEE STATISTICS

Date	Approximate Average Number of Employees	Approximate Total Compensation and Benefits Paid
1937	1,300	\$ 1,200,000
1938	1,200	1,000,000
1939	1,400	1,300,000
1940	1,700	1,500,000
1941	1,800	2,400,000
1942	2,800	5,500,000
1943	3,900	9,900,000
1944	3,800	9,700,000
1945	3,800	8,900,000
1946	3,300	7,000,000
1947	4,200	12,100,000
1948	4,500	14,900,000
1949	3,600	12,800,000
1950	2,900	10,600,000
1951	2,900	12,200,000
1952	3,500	17,200,000
1953	4,900	25,100,000
1954	5,600	29,900,000
1955	5,600	32,900,000
1956	7,100	43,900,000
1957	8,700	54,400,000
1958	9,200	57,600,000
1959	9,000	58,900,000
1960	9,400	62,200,000
1961	7,900	50,100,000
1962	9,400	60,400,000
1963	9,000	60,392,000
1964	9,100	65,442,000
1965	9,700	66,761,000
1966	10,200	74,647,000
1967	10,600	82,245,000

HISTORICAL NOTES AND DATES

1907 TO 1967

- 1907 **FIRST EVINRUDE OUTBOARD:**
Ole Evinrude designed his first outboard motor.
- 1909 **EVINRUDE MOTOR COMPANY FORMED:**
Bess and Ole Evinrude start manufacturing outboards.
- 1913 **OLE AND BESS EVINRUDE RETIRE:**
The Evinrude Motor Company sold to Chris Meyer due to Bess' health.
- 1920 **ELTO COMPANY FORMED:**
Ole and Bess Evinrude formed Elto Outboard Motor Company after Ole developed the Evinrude Light Twin Outboard.
- 1922 **JOHNSON MOTOR COMPANY FORMED:**
Lou, Harry and Clarence Johnson and Joseph G. Rayniak started manufacturing a new lightweight outboard motor.
- 1925 **LARGER HORSEPOWER MOTORS:**
Outboards of six, eight and ten h.p. introduced.
- 1929 **ELTO AND EVINRUDE MERGE:**
Elto merged with the 'old' Evinrude Motor Company and Lockwood Outboard Motor Company, forming Outboard Motors Corporation.
- 1935 **JOHNSON MOTORS PURCHASED:**
S. F. Briggs, chairman of the board of Outboard Motors Corporation, and Ralph Evinrude, president, purchased Johnson Motors Company.
- 1936 **OUTBOARD, MARINE AND MANUFACTURING COMPANY FORMED:**
Outboard Motors Corporation consolidated with Johnson Motors to form Outboard, Marine and Manufacturing Company. Company consisted of: Evinrude division, Gale Products division, Johnson Motors division and Outboard, Marine and Manufacturing Company of Canada Ltd., which had previously been a Canadian subsidiary of Johnson Motors.
- 1937 **GALE PRODUCTS MOVED TO GALESBURG:**
Formerly part of Johnson Motors Company, established with separate plant, and facilities to produce refrigeration units, outboard motors and parts.

- 1941 **COMPANY GOES TO WAR:**
All facilities engaged in war production.
- 1945 **EMPLOYEE MILITARY RECORD:**
Nearly 1000 entered service, 29 gave their lives.
- 1945 **RETIREMENT PLAN ESTABLISHED:**
Retirement plan for U. S. and Canadian employees established.
- 1951 **INTRODUCTION OF 25 H.P. MOTOR:**
25 h.p. motor marketed by Evinrude and Johnson Divisions.
- 1952 **OUTBOARD SOUND IMPROVEMENT:**
Reduction of noise achieved in new motors.
- 1952 **POWER LAWN MOWERS:**
Another two-cycle product added, RPM Manufacturing Co., Inc., Lamar, Mo., a leading producer of rotary mowers acquired.
- 1953 **ALUMINUM DIE CASTING FACILITY COMPLETED:**
Waukegan plant finished in 1952. Production started. This is one of the largest 'captive' aluminum die casting plants in the world.
- 1953 **MULTI-MILLION DOLLAR CONSTRUCTION PROGRAM:**
Expansion of plant facilities at Evinrude Division and Canadian subsidiaries started.
- 1956 **CORPORATE NAME CHANGE:**
Outboard, Marine and Manufacturing Company becomes Outboard Marine Corporation (OMC).
- 1956 **LARGEST CANADIAN CHAIN SAW COMPANY ACQUIRED:**
Industrial Engineering Limited, producer of Pioneer chain saw line becomes wholly owned subsidiary of OMC of Canada.
- 1956 **DIE CASTING PLANT EXPANDED:**
Expansion of die casting facilities at Johnson Motors Division, Waukegan, Illinois.

- 1956 **SHELL MOLD FOUNDRY OPERATING AT EVINRUDE DIVISION:**
Largest such casting operation in marine industry producing steel crankshafts for outboard motors.
- 1957 **NEW ASSEMBLY PLANT IN OPERATION:**
\$3,000,000 Evinrude assembly operation, most modern in industry, opened.
- 1957 **FOREIGN SUBSIDIARY FORMED:**
Outboard Marine International S.A. (OMISA), subsidiary, created to handle world marketing.
- 1957 **SCHOLARSHIP PROGRAM ANNOUNCED:**
Divisions award four-year college scholarships annually.
- 1957 **CUSHMAN MOTOR WORKS, INC.:**
Manufacturers of two and three-wheeled vehicles acquired.
- 1957 **OMC PARTS DEPOT COMPLETED:**
Parts distribution plant using IBM Stock Control built in Galesburg.
- 1957 **LARGEST CAPTIVE ALUMINUM DIE CAST OPERATION CONSTRUCTED AT JOHNSON DIVISION:**
Mass produces die cast parts for OMC outboard motors.
- 1957 **FIRST ALUMINUM DIE CAST OUTBOARD V ENGINE PRODUCED:**
V-4 cylinder 50 h.p. outboard engines mass produced.
- 1958 **BELGIUM PLANT COMPLETED:**
Outboard Marine Belgium S.A. started assembly of Evinrude and Johnson motors at Bruges, Belgium.
- 1959 **INTRODUCTION OF 75 H.P. MOTOR:**
Evinrude and Johnson begin production of 75 h.p. motors and Gale-Buccaneer begins production of 60 h.p. motor.
- 1960 **OUTBOARD MARINE OF AUSTRALIA PTY. LIMITED, FORMED:**
To produce Evinrude and Johnson outboard motors from 3 to 40 horsepower. Plant constructed at Bankstown, N.S.W.

- 1960 **INTERNATIONAL ECONOMIC CONFERENCE ON SMALL CRAFT FOR FISHERIES AND TRANSPORTATION:**
Sponsored by OMC and OMISA, held in New York and attended by representatives from 37 countries and several international organizations, including the United Nations.
- 1961 **BELGIUM PLANT EXPANSION COMPLETED:**
Enlargement of the Bruges, Belgium, plant to 182,000 square feet. Space provided for increased production and the manufacture of component parts formerly purchased elsewhere.
- 1961 **INBOARD-OUTBOARD 2 CYCLE ENGINE:**
Introduction of water-cooled 80 h.p. stern-drive engine for use by boat builders and in the OMC 17-foot boat.
- 1961 **OMC DEVELOPS FIRST LINE OF BOATS:**
Culminating years of development, the OMC 17 double-hull glass fiber boats were placed into production by the OMC Boats division, formerly Special Products division, at Waukegan, Illinois.
- 1962 **EVINRUDE INTRODUCES FIRST PUSH-BUTTON ELECTRIC SHIFT FOR OUTBOARDS:**
The instant reaction and positive control of electric push-button shifting entered the outboard field for the first time when Evinrude Motors introduced its Selective Shift on deluxe models of its 75 and 40 h.p. outboard motors.
- 1963 **110 AND 150 H.P. STERN-DRIVE ENGINES INTRODUCED:**
Evinrude and Johnson introduced new four-cycle 110 and 150 h.p. stern-drive units and began marketing the popular two-cycle 88 h.p. stern-drive engine through their dealer organizations.
- 1963 **JOHNSON BOATS INTRODUCED:**
Johnson Motors introduced an improved line of 17-foot, double-hull fiberglass boats, in both outboard and stern-drive powered models.
- 1963 **EVINRUDE INTRODUCED A DISTINCTIVE GULL-WING DESIGN 16' BOAT:**
There were sport and runabout models powered by outboard or inboard-outboard motors.

- 1963 **LAWN-BOY ENGINEERING, MANUFACTURING AND MARKETING TRANSFERRED TO GALE PRODUCTS:**
After modern manufacturing facilities became available at the Gale Products division, OMC closed the Lawn-Boy plant at Lamar, Missouri, and transferred all Lawn-Boy engineering, manufacturing and marketing functions to Galesburg, Illinois.
- 1964 **SNOWMOBILE INTRODUCED:**
The Johnson and Evinrude divisions announced their entry into the snowmobile field.
- 1965 **VACATION HOUSE INTRODUCED:**
The OMC Hideout, a semi-portable vacation house developed in cooperation with Aluminum Company of America, was introduced for test marketing through selected OMC distributors.
- 1965 **FOLDING 3 H.P. MOTOR INTRODUCED:**
A portable outboard motor with a unique lower unit that folds and fits into a convenient fiberglass carrying case was introduced by Evinrude Motors.
- 1965 **200 H.P. STERN-DRIVE ENGINE INTRODUCED:**
In response to growing consumer demand for bigger power for larger boats, a new 200 h.p., four-cycle, V-8 OMC stern-drive engine was introduced by the Gale Products division for marketing to boat manufacturers and by Evinrude and Johnson for marketing through their dealer organizations.
- 1965 **EVINRUDE AND JOHNSON BOAT LINES EXPANDED:**
Both Evinrude and Johnson introduced 19-foot models, of the popular gull-wing hull boat.
- 1965 **100 H.P. OUTBOARD MOTORS INTRODUCED:**
Johnson and Evinrude began manufacturing 100 h.p. outboard motors combining the proven V-4, two-cycle powerhead with the tuned exhaust principle of racing engines and a new concept of lower unit efficiency.

- 1966 FIRST AUTOMATED TRAINING CENTER ESTABLISHED:**
The Miami based school extended OMC's training facilities while using advanced scientific audiovisual teaching techniques.
- 1966 GASOLINE-POWERED SKIN DIVING EQUIPMENT INTRODUCED:**
The Evinrude Aquanaut and the Johnson Air-Buoy, a completely new concept of skin diving equipment, was developed for marketing in 1966.
- 1966 ROTATING COMBUSTION ENGINE:**
Under licenses granted by Curtiss-Wright Corporation, OMC began development of a rotating combustion engine. Its believed advantages over conventional, reciprocating piston engines will be mechanical simplicity, compactness, lighter weight and greatly reduced vibration.
- 1967 115 H.P. MODELS INTRODUCED:**
At the New York Boat Show on January 10, Outboard Marine announced the highest horsepower production engine, a new 115 h.p. high-performance model capable of single engine speeds of 65 miles per hour and twin engine speeds in the 80 mph range. The Evinrude model was called the X-115 and the Johnson version the GT-115. The outboard had 15 more horsepower than previous OMC engines.
- 1967 CAMPING TRAILERS EXPAND PRODUCT LINE:**
Through acquisition of Trade Winds Campers, Inc., Manawa, Wisconsin, the company entered the field of tent camping trailers. The wholly owned subsidiary also manufactures a high performance snowmobile.

OMC HISTORY

Ole Evinrude, son of a Norwegian farmer, built his first outboard motor in 1907. In 1909, urged by his wife, Bess, Ole started the Evinrude Motor Company. Bess became business manager and Ole handled production and development. Due to Bess' illness, Ole sold out in 1913 to his partner Chris Meyer with an agreement not to return to manufacturing outboards for at least five years. By 1918 when Bess recovered, Ole had designed a revolutionary motor, the ELTO (Evinrude Light Twin Outboard), which was far superior to the original Evinrude. By 1924 his new company, Elto Outboard Motor Company, was outselling the Evinrude Motor Company. In 1927 Ralph Evinrude, Ole's son, joined the firm. Ralph did the experimenting; Ole the designing.

In 1921, the brothers, Lou, Harry and Clarence Johnson, pioneer motor bike manufacturers, developed a lightweight two-cylinder, two-cycle outboard and founded the Johnson Motor Company. Joseph G. Rayniak was in charge of production. Before joining Johnson Motors, Rayniak had worked on the original Bugatti engine and was a tool maker for Willys-Overland.

One of Rayniak's basic ideas put into practice at Johnson Motors was uniform tooling. This technique, expanded and refined since Johnson Motors became a division of OMC, is the straight line production used by all divisions of Outboard Marine today.

Stephen F. Briggs, a pioneer in the small engine field, had acquired a major interest in the old Evinrude Motor Company. In 1929, Briggs and Ole Evinrude, then president of Elto, merged Elto with the Evinrude Motor Company and the Lockwood Outboard Motor Company to form Outboard Motors Corporation. Briggs became chairman of the board. Ole Evinrude became president and held this position until his death in 1934. His son, Ralph, succeeded him as president of the corporation.

In 1935 Briggs and Ralph Evinrude acquired Johnson Motors and merged it with Outboard Motors Corporation to form Outboard, Marine and Manufacturing Company. The name was changed to Outboard Marine Corporation in 1956. In 1936 the company included Evinrude Motors, Johnson Motors, and Canadian Johnson (changed to Outboard, Marine and Manufacturing Company of Canada, Ltd.). Overnight the corporation became the world's largest producer of outboard motors.

During World War II the corporation manufactured war equipment including outboard motors. In 1943 a master plan was drawn to meet post-war needs. It stressed: individuality by each division, component specialization in volume to decrease costs, engineering contributions and the broadening of Outboard Marine's facilities.

All these goals have been reached. Since 1952 the Corporation has grown rapidly and at present includes five divisions and six subsidiaries.

In 1953, Evinrude became vice chairman of the board and J. G. Rayniak president.

OMC's Research Center in Milwaukee, Wisconsin, its Marine Engineering Center in Waukegan, Illinois, and its Test Stations at Naples and Stuart, Florida constitute the most complete research, development and testing facilities in the recreational marine products industry.

With the acquisition of Cushman in 1957, Outboard Marine began producing land transportation vehicles.

In January, 1959, William C. Scott, Executive vice president, succeeded Joseph G. Rayniak as president and chief executive officer. Rayniak became vice chairman of the board and director of manufacturing research. Two years later Rayniak retired after 40 years with OMC and one of its predecessor companies, leaving his associates the credo he long advocated: "Seek better ways of making better products at lower cost."

During 1961 OMC introduced two major new products that broadened its coverage in the boating industry — the OMC 17-foot fiberglass boat with three-point hull and the OMC V-4, two-cycle, water-cooled 80 horsepower stern-drive engine. The following year the company developed two important firsts in marine engines — the first completely automatic push-button electromagnetic gearshift for boats and the first marine regenerating turbine for use in small craft, designed for the U. S. Navy.

In December, 1962, Stephen F. Briggs announced his decision not to run for re-election as chairman of the board, the post he held since he founded the company in 1936. He had previously been board chairman of Outboard Motors Company, one of OMC's predecessor companies since 1929. He continues to serve the company as an engineering consultant, devoting his attention to research and developing projects.

In January, 1963, Ralph S. Evinrude was elected to succeed Mr. Briggs as chairman of the board of the corporation that grew from the first Evinrude outboard motor built by his father in 1907, the year of his birth, to the largest manufacturer of marine products in the world.

During 1963, OMC made important organizational changes to increase its operating efficiency. After the Gale Products division ceased manufacturing Gale-Buccaneer and private label outboard motors at the end of the 1963 boating season, all operations of the Lawn-Boy division were transferred there from Lamar, Missouri. The OMC Engines and Equipment division, a marketing unit in Waukegan, Illinois, was discontinued and its functions transferred to the Gale Products and Evinrude and Johnson Motors Divisions.

After these organizational changes were made, OMC embarked on a program of product diversification that broadened its line of boating products and extended its market coverage to other areas of the outdoor recreation market. In 1964, Evinrude and Johnson introduced snowmobiles and stimulated the growth of a new national winter pastime.

In 1965, OMC tested a new idea in vacation housing, the Hideout, a movable, completely furnished and equipped family recreation home made of aluminum and fiberglass. In 1966, Evinrude and Johnson introduced a new concept in skin diving equipment. Evinrude's Aquanaut and Johnson's Air-Buoy use a floating two-cycle gasoline engine/air compressor to feed fresh air to two divers for diving to depths down to 25 feet. The simplicity, convenience and safety of this new equipment promises to make skin diving attractive to a wide new segment of the public.

OMC continued to broaden coverage of the boating market. The Johnson and Evinrude outboard motor lines were increased to include a powerful 100 h.p. V-4 engine. Johnson introduced a new 20 h.p. outboard. Evinrude unveiled a portable 3 h.p. engine with a lower unit that folds up to fit in a convenient carrying case. The Evinrude and Johnson boat lines were expanded to include 19-foot stern-drive models. The OMC stern-drive engine line, introduced in 1962, was expanded to include 200, 150 and 120 h.p. four-cycle models and a 90 h.p. two-cycle model. The Gale Products division introduced an extensive line of quality OMC boating accessories.

Under licenses granted by Curtiss-Wright Corporation in 1966, the company acquired the right to develop, manufacture and market rotating combustion engines employing an internal combustion principle known as "Wankel" which simplifies the conversion of fuel into power. Although similar to a four-cycle engine, it has no valves, connecting rods or reciprocating pistons. Its advantages include mechanical simplicity, compactness, lightweight and greatly reduced vibration due to the engine's inherent mechanical balance.

At the New York Boat Show on January 10, 1967, the Evinrude and Johnson divisions' introduced their 115 h.p. high performance models capable of single engine speeds up to 65 mph and twin engine speeds in the 80 mph range. The engines had 15 more horsepower than previous OMC engines and five more horsepower than the largest production unit then available.

Continuing its diversification, the company entered the camping field by acquiring the capital stock of Trade Winds Campers, Inc., of Manawa, Wisconsin, through an exchange of OMC stock. Trade Winds is a manufacturer of high quality camping trailers and high performance snowmobiles.

OUTBOARD MARINE CORPORATION SCHOLARSHIP PROGRAM

OMC, in cooperation with the National Merit Scholarship Corporation, grants two four-year scholarships annually to candidates qualified under the National Merit Scholarship Program. The scholarships are to encourage students to seek higher education and to finance the education of youngsters who would otherwise be unable to go to college.

The program is administered by the N.M.S.C., and winning students are chosen through tests given by that organization. The amounts of the scholarships are determined by the N.M.S.C. and vary up to \$6,000 (\$1,500 annually). The following priorities have been stipulated for these scholarships:

1. Sons or daughters of employees of OMC, its divisions or subsidiaries, residing within the United States, or sons or daughters of OMISA employees attending secondary schools in the U. S.

2. If sons or daughters of employees are not finalists, selection of recipients will be from the general geographical areas in which operations of the corporation are located in the following order: Mechanical Engineering major, other Engineering or Science major, Business Administration major, Liberal Arts major, or other.

OMC grants six additional Division Scholarships of \$1,600 each (\$400 annually) directly to sons or daughters of employees who qualify by passing the National Merit Scholarship Qualifying test and demonstrating the scholastic ability to be admitted to an accredited college or university in the U. S. One recipient is selected from each of the following: Johnson division, Evinrude division, Gale division, Cushman Motors and the Corporate Departments in Waukegan, Illinois (including OMC Boats division, OMC Marine Engineering, OMISA and OMC Research).

Division Scholarships are not awarded in any year when there are no qualified sons or daughters of employees going on to college. Sons or daughters of employees are not eligible to receive both an OMC National Merit Scholarship and a Division Scholarship.

The Company also awards three university fellowships annually for graduate work in engineering. The fellowship awards were instituted in 1952 and have a value of \$3,000-\$5,000 each to defray cost of tuition and research.

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